

WHEN RECORDED RETURN TO:  
Krutex Energy Corporation  
1104 Country Hills Drive  
Suite 307  
Ogden, Utah 84403

**NOTICE OF  
COLLATERAL ASSIGNMENT OF LEASE**

NOTICE is hereby given by FORELAND CORPORATION, a Nevada corporation (hereinafter referred to as "Assignor"), and KRUTEX ENERGY CORPORATION, a Utah corporation (hereinafter referred to as "Assignee"), that by that certain Collateral Assignment of Lease effective the 20th day of December, 1988, Assignor did assign and by these presents does assign, transfer, and grant unto the Assignee, for the purpose of creating a lien and encumbrance thereon, an undivided 50% of the entire interest of Assignor in and to the oil and gas lease identified below and relating to the property described therein located in the state of Nevada:

Lessor: EXXON CORPORATION

Lessee: FORELAND CORPORATION

Lease dated: July 1, 1988

Covering the following described property in Lincoln County, Nevada; to wit:

Township 8 North, Range 64 East, MDM

- Section 21: All.
- Section 22: All.
- Section 27: All.
- Section 28: All.

Together with all revenue, income, products, proceeds, and profits derived from such property or arising from the use, operation, and occupation of said property and from all subleases, assignments, or licenses of said property which may be executed in the future during the terms of this Assignment.

1. This Assignment is made pursuant to that certain Interim Loan Agreement between the Assignor and Assignee dated December 20, 1988, for the purpose of securing the repayment of indebtedness in the principal amount of \$300,000, the payment and performance of the terms and conditions thereunder, and the payment and performance of certain other financial accommodations given or to be given by Assignee to Assignor.

2. This Notice of Collateral Assignment of Lease constitutes a notice of a more detailed Collateral Assignment of Lease between the parties containing the foregoing terms and further terms and conditions agreed to by the parties hereto.

3. Any person desiring further information with respect to the Collateral Assignment, the effects thereof, and the encumbrances created thereby should contact:

Krutex Energy Corporation  
Attn: Robert C. Richins, President  
1104 Country Hills Drive  
Suite 307  
Ogden, Utah 84403

IN WITNESS WHEREOF, this Notice of Collateral Assignment of Lease is executed this 28 day of February, 1989.

Attest: FORELAND CORPORATION  
Dale W. Christensen Secretary By N. Thomas Steele Vice-President, Administration

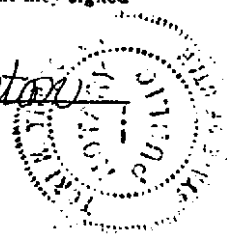
Attest: KRUTEX ENERGY CORPORATION  
Bruce C. Decker Assistant Secretary By Robert C. Richins President

STATE OF UTAH )  
 ) :ss  
COUNTY OF WEBER )

On this 28 day of February, 1989, personally appeared before me, the undersigned notary public, N. Thomas Steele and Dale W. Christensen who, being by me first duly sworn, declared that they are the vice-president and secretary, respectively, of Foreland Corporation and that they signed the foregoing document on behalf of said corporation.

Clair H. Thurston  
Notary Public  
Residing in Weber County

My commission expires: 9-29-89

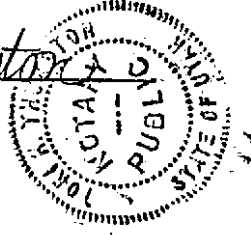


STATE OF UTAH )  
 ) :ss  
COUNTY OF WEBER )

On this 28 day of February, 1989, personally appeared before me, the undersigned notary public, Robert C. Richins and Bruce C. Decker who, being by me first duly sworn, declared that they are the president and assistant secretary, respectively, of Krutex Energy Corporation and that they signed the foregoing document on behalf of said corporation.

Clair H. Thurston  
Notary Public  
Residing in Weber County

My commission expires: 9-29-89



No. 91076 Filed and recorded at the request of Krutex Energy Corporation on April 17, 1989, at 1 minute past 1 o'clock P.M. in Book 84 of Official Records, Page 541 Lincoln County, Nevada.

FRANK C. HULSE, Co. Recorder

-2- By Mara Condie, Deputy